

Fiscal Services Division

Legislative Services Agency

Fiscal Note

SF 544 - Energy Code Changes (LSB 1410 SV)

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Fiscal Note Version - New

Description

Senate File 544 makes changes to the State's energy policy and the duties in the Department of Natural Resources (DNR). Changes include:

- Develop a new statewide Energy Plan that promotes energy efficiency and renewable energy use. The DNR will develop the Plan in cooperation with the Governor's Energy Coordinating Council.
- Specifies the Plan will be delivered to the General Assembly by June 1, 2008, and details the information that will be submitted.
- Changes the Energy Conservation Trust to the Energy Conservation Fund under the direction of the DNR.
- Specifies the Department of Transportation will provide the DNR with an annual update on the Intermodal Revolving Loan Fund and beginning July 1, 2019, the Fund will be administered by the DNR.
- Specifies the agencies that will submit an updated energy analysis to the DNR by August 1, 2009, and the information that needs to be included.
- Specifies the DNR will complete an annual progress report on State agencies in implementing management improvements and renewable energy systems.
- Makes changes to the Energy Bank Program that is administered by the DNR. This includes an Energy Loan Program that allows the DNR to facilitate the loan process.
- Specifies the information that must be submitted to the DNR by an owner or operator of a coal-fired power plant prior to receiving a permit.
- Specifies the information included in an energy efficiency plan that is developed by gas and electric utilities that encourages the use of alternative energy production. Specifies that the fees will be paid to the Iowa Energy Center and the Center for Global and Regional Environmental Research, but does not specify the amount.
- Creates a Common Energy Efficiency Public Education and Promotion Plan and an Energy Efficiency Public Education and Promotion Plan Assessment Fund for all gas and electric utilities. Establishes an Advisory Council with membership selected by the Iowa Utilities Board. Specifies the Board can assess each utility a pro-rata share to pay for the costs, but not to exceed one-tenth of one percent of the gross revenues.

Background

Senate File 544 transforms the State's energy policy by promoting energy efficiency and the increased use of renewable energy. This includes changing the State's energy management goals to:

- At least 25.0% of the State's energy needs will be met through implementation of energy efficient measures by the year 2025.
- At least 25.0% of the State's energy needs will be from renewable energy by the year 2025.

Fiscal Impact

- The DNR estimates an increase of General Fund expenditures of \$310,000 and 4.00 FTE positions for FY 2008 and a 5.0% salary increase for each year after that.
- The DNR estimates an increase of General Fund expenditures for the new reporting requirements of \$235,000 for FY 2008 and \$2.4 million for the cost for completing the required analyses. The DNR estimates there will be 5.0% increase in costs each year after.
- The amount of fees paid to the Iowa Energy Center and the Center for Global and Regional Environmental Research could not be determined due to insufficient information.
- The Utilities Division estimates that one-tenth of one per cent of the gross revenues generated by Iowa utilities is \$5.0 million per year and that two per cent of that amount is \$100,000. This is the amount available for Advisory Council meetings and related administrative expenditures.
- The Utilities Division estimates an increase of expenditures of \$63,000 and 1.00 FTE position for FY 2008 and each year after that.
- The Utilities Division estimates an increase of expenditures of \$37,000 per year for administrative support and meeting expense for the Advisory Council and each year after that.

The total fiscal impact of SF 544 is an estimated increase of General Fund expenditures to the DNR of \$3.0 million and 4.00 FTE positions for FY 2008 and an annual increase of 5.0% in costs for each year after that. Senate File 544 will increase fees by an estimated \$100,000 per year. Fees will be assessed by the Iowa Utilities Board to the Utilities Division for expenditures related to the Advisory Council. The Utilities Division estimates expenditures of \$100,000 per year and 1.00 FTE position.

Sources

Department of Natural Resources
Department of Transportation
Utilities Division
Treasurer of the State

March 26, 2007

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
